

State Territory of the Virgin Islands

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## Methods and Standards for Establishing Payment Rates--Inpatient Care

In reimbursing Virgin Islands hospitals for the cost of Inpatient hospital services provided to recipients of Medical Assistance the State agency adopted the same Title XVIII standards, cost reporting period and principles currently applicable to such hospitals under Title XVIII. Using this methodology for rate calculations, an all-inclusive per diem rate is agreed upon.

Implementation of an all-inclusive rate is consistent with Federal Regulations 42 CFR 447.250 through 447.272 in that the State Medicaid Agency is not paying the provider of Inpatient hospital services more than the lower of (1) "the reasonable cost of services; or (2) the providers' customary charges to the general public."

*Off-island facilities are reimbursed generally at the Medicaid rate of the locality. Other rates are negotiated at (1) reasonable cost of services; or (2) the providers customary charges to the general public.*

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